

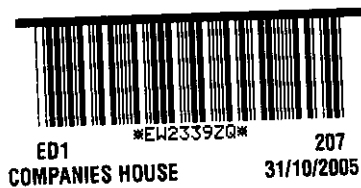
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THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

FINANCIAL STATEMENTS

for the year ended

31 December 2004



Company Registration No. 1332670
Registered Charity No. 274605

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

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Year ended 31 December 2004

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THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

DIRECTORS AND OFFICERS

DIRECTORS

T J Spallino
A Ford
C Jolliffe

SECRETARY

C Jolliffe

COMPANY NUMBER

1332670 (England and Wales)

REGISTERED CHARITY NUMBER

274605

REGISTERED OFFICE

751 Warwick Road
Solihull
West Midlands B91 3DQ

AUDITORS

PricewaterhouseCoopers LLP
Donington Court
Pegasus Business Park
Castle Donington
East Midlands
DE74 2UZ

BANKERS

HSBC
34 Poplar Road
Solihull
West Midland
B 91 3AF

Bank of America
26 Elmfield Road
Bromley
Kent
BR1 1WA

SOLICITORS

Devonshires
Salisbury House
London Wall
London
EC2M 5QY

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

DIRECTORS' REPORT

The directors, who are the charity's trustees, submit their report and the financial statements of The Church of Jesus Christ of Latter-day Saints (Welfare) Limited and subsidiary undertakings for the year ended 31 December 2004.

LEGAL AND ADMINISTRATIVE INFORMATION

The Church of Jesus Christ of Latter-day Saints (Welfare) Limited is a registered charity which has been incorporated as a private limited company. This status was changed from private unlimited company on 2 June 2005. The charity is governed by its Memorandum and Articles of Association.

OBJECTS, PRINCIPAL ACTIVITIES AND REVIEW OF THE YEAR

The objects of the charity, its principal activities and a review of the year are given in the Trustees' Report on pages 27, 28 and 29 of the financial statements.

RESULTS

The surplus of the group for the year was £147,000 (2003 - £925,000) after receiving a donation of £500,000 (2003 - £500,000) from The Church of Jesus Christ of Latter-day Saints (Great Britain).

As a Charity no dividends are payable which leaves a surplus for the year of £147,000 to be transferred to reserves.

Assurances of continued financial support have been received from both The Corporation of the President of The Church of Jesus Christ of Latter-day Saints and the Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints to whom sole ownership was transferred 31 March 2005.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were:-

J E Berry	- appointed 31 March 2005, resigned 15 August 2005
A K Broadway	- resigned 15 August 2005
B L Buckner	- resigned 31 March 2005
R L Cowan	- appointed 16 June 2004, resigned 15 August 2005
B C James	- resigned 31 March 2005
K F Keeler	- resigned 31 March 2005
T J Spallino	- appointed 16 June 2004
A Ford	- appointed 15 August 2005
C Jolliffe	- appointed 15 August 2005

DIRECTORS' INTERESTS IN SHARES

None of the directors had, at any time during the year, a beneficial interest in the share capital of the company or its subsidiary undertakings.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

DIRECTORS' REPORT

GOVERNANCE AND INTERNAL CONTROL

The directors have considered the risks the charity is exposed to and have ensured that there are suitable controls in place to mitigate those risks.

CHARITABLE CONTRIBUTIONS

During the year the charity made charitable contributions totalling £892,000 (2003: £823,000) as disclosed in note 2.

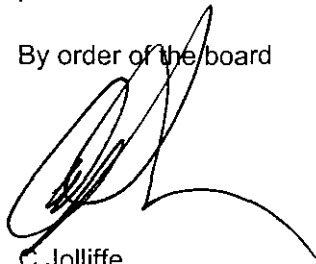
RESERVES

Our objective is to have a one year supply of funds in reserve to meet our charitable aims. Reserves held at year end totalled £9,207,000 (2003: £9,060,000).

AUDITORS

A resolution to re-appoint PricewaterhouseCoopers LLP, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board

A handwritten signature in black ink, appearing to be 'C Jolliffe', written over a horizontal line.

C Jolliffe
Secretary
11 October 2005

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF
FINANCIAL STATEMENTS
for the year ended 31 December 2004

Company law requires the directors' to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. The directors are required to prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently with the exception of the changes arising on the adoption of new accounting standards in the year as explained on page 10,11 and 12 under " Accounting policies". They also confirm that reasonable and prudent judgments and estimates have been made in preparing the financial statements for the year ended 31 December 2004 and that applicable accounting standards have been followed.

The directors' are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF
THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

for the year ended 31 December 2004

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHURCH OF JESUS CHRIST
OF LATTER-DAY SAINTS (WELFARE) LIMITED AND SUBSIDIARY UNDERTAKINGS

We have audited the financial statements which comprise the statement of financial activities, the balance sheet and related notes.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors also act as trustees for the charitable activities of The Church of Jesus Christ of Latter-day Saints (Welfare) Limited and Subsidiary Undertakings. Their responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume any responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view, and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all of the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

AUDITORS' REPORT TO THE MEMBERS OF
THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

for the year ended 31 December 2004

BASIS OF AUDIT OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the affairs of the Charity and group at 31 December 2004 and of its incoming resources and application of resources, including its income and expenditure in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Donington Court
Pegasus Business Park
Castle Donington
East Midlands
DE74 2UZ

11 October 2005

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2004

		GROUP		COMPANY	
		Unrestricted total funds	Unrestricted total funds	Unrestricted total funds	Unrestricted total funds
	Notes	2004 £'000	2003 £'000	2004 £'000	2003 £'000
INCOMING RESOURCES:					
New construction		5,279	7,581	5,279	7,581
Rental income		19	23	1,124	1,154
Other income		58	84	58	84
Net income of trading subsidiaries	1a	1,534	1,947	-	-
Profits covenanted from farm activities		-	-	472	855
Donation from The Church of Jesus Christ of Latter-day Saints (Great Britain)		500	500	500	500
Profit on sale of Fixed Assets		-	-	-	-
TOTAL INCOMING RESOURCES		7,390	10,135	7,433	10,174
RESOURCES EXPENDED					
Direct charitable expenditure		7,193	9,160	7,245	9,191
Other expenditure		50	50	50	50
TOTAL RESOURCES EXPENDED	2	7,243	9,210	7,295	9,241
Net movement in funds		147	925	138	933
Balances brought forward at 1 January 2004		9,060	8,135	5,039	4,106
Balances carried forward at 31 December 2004		9,207	9,060	5,177	5,039

CONTINUING OPERATIONS

None of the Charity's activities were acquired or discontinued during the above two financial years.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

No separate statement of total recognised gains and losses has been presented as all such gains and losses have been dealt with in the consolidated statement of financial activities.

INCOME AND EXPENDITURE ACCOUNT


The consolidated statement of financial activities constitutes an income and expenditure account for the purposes of the Companies Act 1985.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

BALANCE SHEETS
as at 31 December 2004

	Notes	GROUP		COMPANY	
		2004 £'000	2003 £'000	2004 £'000	2003 £'000
FIXED ASSETS					
Tangible assets	6	46,140	46,271	43,373	43,414
Intangible assets	7	-	37	-	-
Investments	8	5	5	4,100	4,100
		<u>46,145</u>	<u>46,313</u>	<u>47,473</u>	<u>47,514</u>
CURRENT ASSETS					
Stock	9	5,670	4,622	-	1
Debtors	10	2,203	2,371	4,354	3,513
Cash at bank and in hand		10,062	9,276	6,972	7,984
		<u>17,935</u>	<u>16,269</u>	<u>11,326</u>	<u>11,498</u>
CREDITORS					
Amounts falling due within one year	11	(2,753)	(2,065)	(1,544)	(2,605)
NET CURRENT ASSETS		<u>15,182</u>	<u>14,204</u>	<u>9,782</u>	<u>8,893</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>61,327</u>	<u>60,517</u>	<u>57,254</u>	<u>56,407</u>
CREDITORS					
Amounts falling due after more than one year	12	(52,077)	(51,368)	(52,077)	(51,368)
PROVISIONS FOR LIABILITIES AND CHARGES	13	(43)	(89)	-	-
		<u>9,207</u>	<u>9,060</u>	<u>5,177</u>	<u>5,039</u>
CAPITAL AND RESERVES					
Called up share capital	14	-	-	-	-
Unrestricted funds:					
Accumulated fund	15	9,207	9,060	5,177	5,039
		<u>9,207</u>	<u>9,060</u>	<u>5,177</u>	<u>5,039</u>

Approved by the board on 11 October 2005
and signed on their behalf


C Jolliffe - Director

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2004

	Notes	2004 £'000	2003 £'000
Reconciliation of operating surplus to net cash inflow from operating activities			
Operating deficit		(126)	857
Depreciation		1,023	912
Amortisation		37	37
Profit on disposal of fixed assets		(88)	(71)
(Increase) in stocks		(1,048)	(444)
Decrease in debtors		168	222
Increase/(decrease) in creditors		988	(27)
Net cash inflow from operating activities		954	1,486
CASH FLOW STATEMENT		2004 £'000	2003 £'000
Net cash inflow from operating activities		954	1,486
Tax		(46)	(6)
Returns on investments and servicing of finance	18a	273	68
Capital expenditure and financial investment	18a	(804)	(925)
CASH FLOW BEFORE FINANCING		377	623
Financing: Received from parent company	18b	709	6,097
INCREASE IN CASH IN THE PERIOD		1,086	6,720
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (note 18b)		2003 £'000	2003 £'000
Increase in cash in the period		1,086	6,720
Change in net debt resulting from cash flows		(709)	(6,097)
MOVEMENT IN NET DEBT IN THE PERIOD		377	623
NET DEBT AT 1 JANUARY 2004		(42,392)	(43,015)
NET DEBT AT 31 DECEMBER 2004		(42,015)	(42,392)

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2004

	Notes	2004 £'000	2003 £'000
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THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

ACCOUNTING POLICIES

BASIS OF ACCOUNTING.

These financial statements are prepared under the historic cost convention, the accounting policies set out below and in accordance with the Statement of Recommended Practice (SORP), Accounting and Reporting for Charities 2000 and the Companies Act 1985.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of The Church of Jesus Christ of Latter-day Saints (Welfare) Limited and all of its subsidiary undertakings for the year. All financial statements are made up to 31 December 2004. The consolidation has been prepared using the line by line method of accounting.

FRS 18

The directors have reviewed the accounting policies and confirmed that they are the most applicable

INCOMING RESOURCES

All incoming resources are included in the SOFA when the organisation is legally entitled to the income and the amount can be quantified with reasonable accuracy. Costs of constructing new buildings on behalf of The Church of Jesus Christ of Latter-Day Saints (Great Britain) are recharged at each year end on the basis of total construction costs incurred to date. Rental income is recorded in accordance with the terms of the appropriate lease.

RESOURCES EXPENDED

All expenditure is accounted for on an accruals basis under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Direct charitable expenditure comprises expenditure directly relating to the objects of the charity.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Individual fixed assets costing £2,000 or more are capitalised at cost. Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write down each asset to its estimated residual value over its expected useful life, as follows:-

Farm houses	over 40 years
Farm buildings and amenities	over 5 to 20 years
Fixtures, fittings,	over 5 to 10 years
Plant and machinery	over 5 to 10 years
Motor vehicles	over 3 to 10 years

GOODWILL

Goodwill arising on acquisition representing the excess of the purchase price compared with the fair value of assets acquired is capitalised and written off over 10 years as in the opinion of the directors this represents the period over which the goodwill is effective.

FIXED ASSET INVESTMENTS

Fixed asset investments are stated at cost. Provision is made for any permanent diminution in value.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

ACCOUNTING POLICIES

STOCKS

Stocks and cultivations are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items. Costs include all direct costs and an appropriate proportion of fixed and variable overheads.

OPERATING LEASES

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

FOREIGN CURRENCY TRANSLATIONS

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the statement of financial activities.

DEFERRED TAXATION

Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more or less taxation in future. An asset is recognised to the extent that the transfer of economic benefits in future is more likely than not. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets and liabilities recognised are not discounted. This policy applies equally to subsidiary undertakings.

PENSION CONTRIBUTIONS

The costs of providing pensions is calculated using actuarial valuation methods which reflect the long-term costs of providing such pensions.

For defined benefit schemes the regular cost of providing for pensions is calculated so as to produce a substantially level percentage of the current and estimated future pensionable payroll; variations from the regular cost so calculated are allocated to the income and expenditure account over the average remaining service lives of employees.

The company has adopted the transitional arrangements of FRS17 "Retirement Benefits" for the year ended 31 December 2004. The disclosures required by this standard are shown in note 19. As permitted by its transitional arrangements, figures arising under the standard have not been reflected in the financial statements.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

ACCOUNTING POLICIES

PARENT COMPANY DONATIONS AND CAPITAL CONTRIBUTIONS

Donations by one of the company's parent undertakings to fund certain aspects of the company's excess of expenditure over income are included within incoming resources in the year to which they relate.

Capital contributions by one of the company's parent undertakings to provide funding, are treated as an exceptional item in the statement of financial activities in the year in which they arise.

AREA AID INCOME

Area aid income is recognised in the statement of financial activities when the underlying crops are sold. Set-aside income is recognised on a receivable basis wherever practicable else on a receipts basis.

FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the trustees in accordance with the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Restricted funds comprise those funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st December 2004

1a NET INCOME OF TRADING ACTIVITIES OF SUBSIDIARIES

The charity has three subsidiaries which are incorporated in England and Wales. All companies operate farms. Audited accounts have been filed with the Registrar of Companies which show the following results;

	Farmspeed (Southery Anchor) Limited £'000	Hallsworth (Farmland Trust) Limited £'000	AgReserves Limited £'000	2004 Total £'000	2003 Total £'000
Turnover	2,180	1,631	1,892	5,703	6,334
Cost of sales	(1,125)	(818)	(497)	(2,440)	(2,991)
Gross surplus	1,055	813	1,395	3,263	3,343
Operating expenses	(907)	(798)	(1,477)	(3,182)	(2,664)
Other operating income	-	62	-	62	95
Operating surplus	148	77	(82)	143	774
Profit on disposal of tangible fixed assets	9	-	79	88	71
Interest receivable	-	-	241	241	33
Charitable payments	(157)	(77)	(238)	(472)	(855)
Taxation	-	89	(43)	46	6
Net income/(expenditure) for the year per accounts	-	89	(43)	46	29
Consolidation adjustments eliminated:					
Rent payable to parent undertaking	284	429	392	1,105	1,131
Charitable payments to parent undertaking	157	77	238	472	855
Management fees receivable from parent undertaking	-	-	(89)	(89)	(68)
Management fees between subsidiaries	(25)	55	(30)	-	-
Net income of trading subsidiaries included in the Statement of Financial Activities	416	650	468	1,534	1,947

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004

1b ASSETS AND LIABILITIES OF SUBSIDIARIES

	2004 £'000	2003 £'000
Aggregate assets	15,525	15,893
Aggregate liabilities	(7,395)	(7,826)
Net Assets	8,130	8,067

2 ANALYSIS OF TOTAL RESOURCES EXPENDED

	GROUP		COMPANY	
	2004 £'000	2003 £'000	2004 £'000	2003 £'000
Direct charitable expenditure:				
Cost of construction	5,279	7,581	5,279	7,581
Charitable contributions	892	823	892	823
Depreciation and amortisation	37	37	-	-
Physical facilities	663	399	663	399
Operating costs	322	320	411	388
	7,193	9,160	7,245	9,191
Other expenditure:				
Professional fees	50	50	50	50
	7,243	9,210	7,295	9,241

3 NET INCOME/(EXPENDITURE) FOR THE YEAR

	2004 £'000	2003 £'000
Net income/(expenditure) is stated after charging:		
Depreciation		
- owned assets	1,023	912
Profit on disposal of tangible fixed assets	-	-
Auditors' remuneration - audit services	31	39
Auditors' remuneration - other services	-	-
Operating lease rentals		
- plant and machinery	-	1

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004

4 EMPLOYEES	2004	2003
	No.	No.
The average weekly number of persons (including directors) employed by the group during the year was:	37	40
	<hr/>	<hr/>
	2004	2003
	£'000	£'000
Staff costs for the above persons:		
Wages and salaries	969	1,008
Social security costs	84	112
Other pension costs	89	68
	<hr/>	<hr/>
	1,142	1,188
	<hr/>	<hr/>

For the year ended 31 December 2004 the number of employees whose emoluments fell within the following bands are as follows:

	2004	2003
	No.	No.
£60,000 - £70,000	1	1
£50,000 - £60,000	2	-
	<hr/>	<hr/>

None of the directors who served during the year ended 31 December 2004 received remuneration from this company, nor was any charge made to the company for their services by any other group company. Additionally no director received reimbursement for expenses incurred during the year.

5 TAXATION

The company is a registered charity and as such its charitable activities are not liable to UK corporation tax.

The company's subsidiaries are liable to UK corporation tax and the charge for the year is shown within the net income of trading activities of subsidiaries in note 1.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004

6 TANGIBLE FIXED ASSETS

GROUP

	Freehold land and buildings £'000	Fixtures & Fittings £'000	Plant & Machinery £'000	Motor Vehicles £'000	Farms £'000	Total £'000
Cost:						
1st January 2004	6,041	6	5,576	132	38,595	50,350
Additions	68	-	891	18	126	1,103
Disposals	-	-	(824)	(20)	-	(844)
31st December 2004	6,109	6	5,643	130	38,721	50,609
Depreciation:						
1st January 2004	-	3	2,739	112	1,225	4,079
Charge for Year	-	1	777	11	234	1,023
Disposals	-	-	(613)	(20)	-	(633)
31st December 2004	-	4	2,903	103	1,459	4,469
Net book value:						
31 December 2004	6,109	2	2,740	27	37,262	46,140
31 December 2003	6,041	3	2,837	20	37,370	46,271

A detailed analysis of farms is shown on page 18.

All of the tangible fixed assets are used to generate income for charitable purposes.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004

6 TANGIBLE FIXED ASSETS (continued)

COMPANY

	Freehold land and buildings £'000	Fixtures Fittings £'000	Farms £'000	Total £'000
Cost:				
1st January 2004	6,041	6	38,595	44,642
Additions	68	-	126	194
31 December 2004	6,109	6	38,721	44,836
Depreciation:				
1st January 2004	-	3	1,225	1,228
Charge for Year	-	1	234	235
31 December 2004	-	4	1,459	1,463
Net book value:				
31 December 2004	6,109	2	37,262	43,373
31 December 2003	6,041	3	37,370	43,414

A detailed analysis of the farms category is shown on page 18.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004

6 TANGIBLE FIXED ASSETS (continued)

COMPANY

Included within farms above are:

	Freehold Land £'000	Farm houses £'000	Farm buildings & £'000	Equipment Fixtures & Fittings £'000	Total £'000
Cost:					
1 January 2004	30,926	3,828	3,763	78	38,595
Additions	65	57	-	4	126
31 December 2004	30,991	3,885	3,763	82	38,721
Depreciation:					
1 January 2004	-	627	559	39	1,225
Charge for Year	-	98	129	7	234
31 December 2004	-	725	688	46	1,459
Net book value:					
31 December 2004	30,991	3,160	3,075	36	37,262
31 December 2003	30,926	3,201	3,204	39	37,370

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004

7 INTANGIBLE FIXED ASSETS

GROUP

	Goodwill £'000
Cost:	
At 1 January 2004 and 31 December 2004	368
	<hr/>
Amortisation	
1 January 2004	331
Charge for Year	37
	<hr/>
31 December 2004	368
	<hr/>
Net book value:	
31 December 2004	-
	<hr/>
31 December 2003	37
	<hr/>

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004

8 FIXED ASSET INVESTMENTS - GROUP

	Listed £'000	Unlisted £'000	Total £'000
Cost:			
1 January 2004 and 31 December 2004	5	6	11
Provision for diminution in value			
1 January 2004 and 31 December 2004	-	6	6
Net book value			
At 1 January 2004 and 31 December 2004	5	-	5

The market value of listed investments, which are included above at cost of £5,000, as at 31 December 2004 was £13,377 (2003: £14,595).

COMPANY

	Investment in Subsidiary Undertaking £'000
1 January 2004	4,100
31 December 2004	4,100

The company holds more than 10% of the share capital of the following undertakings:

Name	Country of incorporation	Class of holding	Proportion directly held	Nature of business
AgReserves Limited	England	Ordinary	100%	Farming
Indirect holdings				
Hallsworth (Farmland Trust) Limited	England	Ordinary	100%	Farming
Farmspeed (Southery Anchor) Limited	England	Ordinary	100%	Farming

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004

9 STOCKS	GROUP		COMPANY	
	2004 £'000	2003 £'000	2004 £'000	2003 £'000
Farm stocks	1,849	1,569	-	1
Harvested crops	3,821	3,053	-	-
	5,670	4,622	-	1
<hr/>				
10 DEBTORS	GROUP		COMPANY	
	2004 £'000	2003 £'000	2004 £'000	2003 £'000
Due within one year				
Trade debtors	1,864	1,998	-	-
Other debtors	339	373	77	141
Amounts owed by group undertakings	-	-	4,277	3,372
	2,203	2,371	4,354	3,513
<hr/>				
11 CREDITORS: Amounts falling due within one year	GROUP		COMPANY	
	2004 £'000	2003 £'000	2004 £'000	2003 £'000
Bank overdraft	-	300	-	175
Trade creditors	96	111	-	-
Other taxation and social security costs	42	31	11	3
Other creditors	2,596	1,312	1,514	707
Accruals	19	311	19	30
Amounts owed to group undertakings	-	-	-	1,690
	2,753	2,065	1,544	2,605
<hr/>				

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004

12 CREDITORS: Amounts falling due in more than one year	GROUP		COMPANY	
	2004 £'000	2003 £'000	2004 £'000	2003 £'000
Loan from holding company	52,077	51,368	52,077	51,368

The loan from the holding company is a loan from the Coporation of the President of The Church of Jesus Christ of Latter-Day Saints which is subordinated to the claims of all other creditors. The loan is interest free and there are no fixed repayment terms.

13 PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax provided in the financial statements is as follows:

	GROUP £'000		COMPANY £'000	
At 1 January 2004		89		-
Annual movement		(46)		-
At 31 December 2004		43		-

	GROUP		COMPANY	
	2004 £'000	2003 £'000	2004 £'000	2003 £'000
Tax effect of timing differences				
Accelerated capital allowances	43	89	-	-

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004

14	SHARE CAPITAL	2004 £	2003 £
	Authorised, allotted, issued and fully paid 100 ordinary shares of £1 each	100	100

From 31 March 2005 the issued share capital was increased to £10,000,000 with authorised share capital increased to £25,000,000.

15	TOTAL CHARITY FUNDS	GROUP		COMPANY	
		2004 £'000	2003 £'000	2004 £'000	2003 £'000
	Balance at 1 January 2004	9,060	8,135	5,039	4,106
	Net surplus for the year	147	925	138	933
	Balance at 31 December 2004	9,207	9,060	5,177	5,039

16	RECONCILIATION OF MOVEMENT IN CHARITY FUNDS	2004 £'000	2003 £'000
	Surplus for the financial year	147	925
	Opening Charities funds	9,060	8,135
	Closing Charities funds	9,207	9,060

Charities funds are entirely attributable to equity interests.

17 COMPANY INCOME AND EXPENDITURE ACCOUNT

As permitted by s230(3) Companies Act 1985, the company has not presented its own income and expenditure account.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004

18 CASH FLOWS

a Analysis of cash flows	2004 £'000	2003 £'000	
Reconciliation of net movement in funds to operating surplus			
Net movement in funds	147	925	
Interest received	(273)	(68)	
Operating surplus	<u>(126)</u>	<u>857</u>	
Returns on investments and servicing of finance	2004 £'000	2003 £'000	
Interest received	273	68	
	<u>273</u>	<u>68</u>	
Capital expenditure and Financial Investment	2004 £'000	2003 £'000	
Purchase of tangible fixed assets	(1,103)	(1,221)	
Proceeds from sale of tangible fixed assets	299	296	
	<u>(804)</u>	<u>(925)</u>	
b Analysis of changes in net debt	1 January 2004 £'000	Cash Flows £'000	31 December 2004 £'000
Cash at bank and in hand	9,276	786	10,062
Bank overdraft	(300)	300	-
	8,976	1,086	10,062
Debt due after 1 year	(51,368)	(709)	(52,077)
Total	(42,392)	377	(42,015)

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004

19 PENSION AND OTHER POST EMPLOYMENT COMMITMENTS

The group participates in the Deseret UK Benefits Plan. This is a funded defined benefit multi-employer scheme in the United Kingdom.

A full actuarial valuation was carried out at 31 December 2003 and updated to 31 December 2004 by a qualified independent actuary. The major assumptions used by the actuary were (in nominal terms):

	31 December 2004	31 December 2003	31 December 2002
Rate of increase in salaries	4.40%	4.30%	3.90%
Rate of increase of pensions in payment	2.90%	2.80%	2.40%
Discount rate	5.30%	5.40%	5.50%
Inflation	2.90%	2.80%	2.40%

The assets of Deseret UK Benefit Plans and the expected rate of return were :-

	£million	At 31 December 2004 Return	At 31 December 2003 Return	At 31 December 2002 Return
Equities	13.70	7.00%	7.00%	7.00%
Bonds and Cash	2.28	4.80%	4.75%	4.21%
Property	0.37	5.30%	5.40%	5.50%
Total market value of assets	16.35			
Actuarial value of liability	(27.01)			
Deficit in the scheme	(10.66)			

The charge for pension costs in 2004 was £89,195 (2003:£67,918)

The company is unable to identify its share of the underlying assets and liabilities of the scheme. As a result the company's cost is based on pension contributions payable in accordance with advice of professionally qualified actuaries.

20 RELATED PARTY TRANSACTIONS AND ULTIMATE HOLDING COMPANY

The company is owned jointly by The Corporation of the President of The Church of Jesus Christ of Latter-day Saints and the Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints, both corporations incorporated in the state of Utah, United States of America. Sole ownership was transferred to the Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints on 31 March 2005.

Details of the loan account with the Corporation of the President of The Church of Jesus Christ of Latter-day Saints are included in note 12. Assurances of continued financial support have been received from both the Corporation of The President of The Church of Jesus Christ of Latter-day Saints and the Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints.

During the year the company contracted with another fellow subsidiary, The Church of Jesus Christ of Latter-day Saints (Great Britain) to carry out construction of church buildings on its behalf. The value of this work in the year was £5,279,000 (2003 £7,581,000).

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004

21 CAPITAL COMMITMENTS

At 31 December 2004 the group had capital commitments as follows:

	2004 £'000	2003 £'000
Contracted for but not provided in these accounts	<u>-</u>	<u>-</u>

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004

1 Policy and Objectives of The Church of Jesus Christ of Latter-day Saints (Welfare) Limited

- a) to promote and further the religious and other charitable work of The Church of Jesus Christ of Latter-day Saints in the United Kingdom and elsewhere and
- b) to relieve members of the Church and other persons who are in conditions of need, hardship, sickness or distress.

To achieve the above the charity:-

- 1) invests in farms which it rents out to its subsidiary companies (AgReserves Limited, Hallsworth (Farmland Trust) Limited and Farmspeed (Southery Anchor) Limited) which then operate the farms on a commercial basis. Any profits earned from these operations are returned to the charity under covenant and are applied by the charity in the furtherance of its objectives.
- 2) acquires land and builds purpose built meeting houses, for a fellow subsidiary, in which members of the Church and members of the public can meet together for religious worship and instruction.
- 3) assists individuals suffering through hardship, sickness and distress as needed.
- 4) provides advice and guidance to Church members on the Church's worldwide welfare and humanitarian aid programmes.

From the above it can be deduced that the principal income sources of the charity are the rents received from the farms operated by its subsidiaries and any profits earned by those farming subsidiary companies. Our farming subsidiaries achieve their results whilst following guidelines laid down by the Church in the following mission statement:-

" We recognise that the land we have been entrusted to manage is a most important resource, that our customers have their own special needs, and that scientific establishments are our partners, and that our employees are one of our most valuable assets.

In all things we acknowledge the goodness in others. We recognise that we have a stewardship for the land for future generations. We need to be honest in our dealings with customers, employees and all with whom we transact business.

To accomplish our mission we empower our employees with the management structure, training and resources to grow the right crops in the right locations using the latest and most efficient farming technology. "

2 Financial Resources

Ownership of the charity was transferred from shared ownership of the Corporation of the President and the Corporation of the Presiding Bishop to the sole ownership of the Corporation of the Presiding Bishop. In addition, the authorised share capital was increased to £25 million and a further £9,999,900 £1 shares were issued. This will be used to assist in funding the working capital needs of our operating subsidiaries and enable them to operate more efficiently and thus have the potential to improve the charity's return on its investment. The company's status was also changed from unlimited to limited liability.

The year ended 31 December 2004 was a difficult year for our farm investments due a wet Harvest that prolonged the season, affecting our yields and quality, hence profits were down by 12% from the previous year.

Once again we received a substantial donation (£500,000) from our sister charity The Church of Jesus Christ of Latter-day Saints (Great Britain).

With these available resources we have been able to meet all of the demands for assistance made on us and further build our reserves for future requirements.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004

Our objective is to maintain a one-year supply of funds in reserve to meet our charitable aims. At the end of 2003 we met that objective and, as newly appointed trustees we are looking to expand our activities further in line with our Policy and Objectives.

3 Review of the current year

In addition to the financial restructuring there has been a change in the trustees. The new trustees wish to thank the outgoing trustees for all the hard work they have done.

The farming assets continue to be well managed and remain competitive. We have asked Agreserves to produce a detailed business plan in 2006 for the next 10 years.

Our wheat storage training programme in the UK has now been completed although repeat courses will continue where requested. This programme continued well in 2004 with wheat distributed in conjunction with the Welfare department.

Few Humanitarian projects were completed in 2004. This is because we have taken the opportunity to Update and improve our humanitarian bagging line facility, which will be fully operative in 2006.

It is envisaged that with the new bagging plant facility and our improved financial resources that we will be looking to participate in larger projects once again.

The substantial donation from our sister charity The Church of Jesus Christ of Latter-day Saints (Great Britain) was again used to help fund the assistance we give to people in need.

During 2004 eight new meetinghouses were constructed on behalf of our sister charity The Church of Jesus Christ of Latter-day Saints (Great Britain). In addition design work was commenced on a further eight new meetinghouse projects that will be constructed during 2005 or later. The on-going challenge of achieving the timely purchasing of needed sites will continue to affect the level of construction activity year on year.

4 Management

The trustees of the charity are selected from the membership of the Church on the basis of their understanding of the Church Welfare programme usually having served in a senior volunteer capacity in the past by assignment. Additionally, the collective board of trustees are expected, usually by qualification, to cover the range of professional skills required to manage an organisation of this magnitude within UK Charity Law.

As indicated above, there have been a number of changes in the trustees responsible for running the Charity. The experience of the Directors has been further enhanced by the appointment of Clive Jolliffe. He brings to the board a greater working knowledge of the farm operations, a key part of the Charity's operation.

5 Professional Resources

The Charity has access to specialist facilities management, educational, legal, financial and welfare project skills to further its work.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004

6 The Future Direction of the Charity

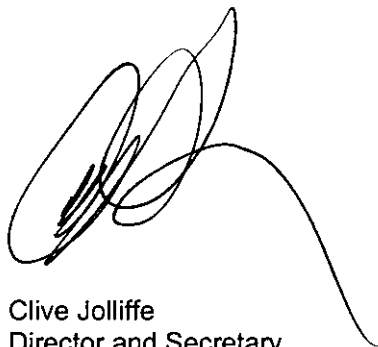
The main priority the new directors have set is to review the overall aims and objectives of the charity and implement a more detailed strategic plan for the charity. The Charity will continue to extend its holdings where these offer opportunity to secure a larger future income and meet the requirements of the Church Welfare programme.

We are continuing with our programme for educating members in the storage and preparation of basic foods and also teaching these skills to other through our Welfare and Humanitarian Aid programmes.

We will also continue to search for land on which to build meetinghouses to meet the need of our fellow subsidiary, The Church of Jesus Christ of Latter-day Saints (Great Britain), to provide places of worship for the increasing membership of the Church.

7 Summary

The charity is continuing to go from strength to strength. We are continuing to see areas in which we can be of service and will continue to build our knowledge base to meet needs as they arise. With the recent refinancing and the performance of the farms we are confident that we now have the resources to continue to expand our operations and expect to see a number of new initiatives bearing results in the coming months and years.

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Clive Jolliffe
Director and Secretary
The Church of Jesus Christ of Latter-day Saints (Welfare) Limited
Dated: 11 October 2005